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FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Allocation of Spectrum Below) ET Docket No. 94-32
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GTE'S REPLY COMMENTS

GTE Service Corporation on behalf of its affiliated domestic telecommunications companies ("GTE") offers its Reply to Comments in the FCC's Notice of Proposed Rule Making ("NPRM" or "Notice") released November 8, 1994, FCC 94-272.

INTRODUCTION

The NPRM invites comment on the allocation of the 2390-2400 MHz, 2402-2417 MHz and 4660-4685 MHz bands of spectrum that will soon be transferred from the Federal Government to private sector use. The Commission states (at ¶8) that its "principal objective in making this spectrum allocation decision is to ensure that the spectrum is put to its best and most valued use and that the greatest benefit to the public is attained." The Commission continues by stating that in its opinion the best way to achieve this goal is by adopting a "broad and general" allocation for this spectrum that will allow for a wide range of services employing varying technologies. Thus, the Commission proposes to allocate these bands for general Fixed and Mobile services, rather than to specify particular uses.

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DISCUSSION

Wireless Local Loop Service Will Allow Carriers to Reduce the Cost of Fulfilling Their Responsibilities

GTE supports, with certain modifications the specific allocation of 20 MHz of spectrum for the Wireless Local Loop ("WLL") service as initially proposed by Southwestern Bell in its Comments to the Notice of Inquiry and subsequently supported by USTA, US West, Bell Atlantic, NYNEX, Rochester, TDS and OPASTCO in Comments to the instant NPRM.

GTE is confident that the advances in radio technology over the last several years hold great potential to benefit all users of basic telephone service. While spectrum availability has traditionally limited radio use in the provision of fixed services, events over the last several years have begun to ease the "spectrum pinch." Not only is more spectrum becoming available for telecommunications, as indicated by the instant proceeding, but technology is making both newly allocated spectrum and existing spectrum many times more efficient. With this in mind, GTE urges the Commission to allocate the 2300-2310 MHz and 2390-2400 MHz bands to the WLL service.

GTE concurs with a number of parties supporting a spectrum allocation for WLL. As US West states (at 3), WLL "will provide a cost-effective way to serve many rural and remote areas, including people without basic telephone service" because the cost to install facilities is so prohibitive. Likewise, Southwestern Bell states (at 2), that an

allocation of spectrum for WLL will result in substantial public benefit by "permit[ting] easier and less expensive rehabilitation and replacement of aging copper plant, with fewer accidental service disruptions and less inconvenience to customers." USTA recognizes (at 2) that this benefit will be enjoyed by all telephone customers by offering a less costly alternative to current local loop technologies and reducing installation and maintenance costs. TDS explains (at 2) that WLL technology will make the public switched network more cost effective.

By allocating spectrum to WLL, the Commission can assure that these benefits materialize and are realized by all telecommunication users. Failure to allocate spectrum at this time to WLL will, without question, result in avoidable infrastructure costs that will befall a great cross-section of users, now and in the future.

**To Ensure that the Benefits of WLL are Available to All
Providers of Local Exchange Service, License Areas
Should Coincide with Local Exchange Markets**

GTE agrees with Bell Atlantic that in order for the WLL service to provide its maximum benefit, the geographical coverage of the license areas must closely match the service areas of local exchange service providers. While it may first appear that administrative complexities would prohibit establishing license areas that coincide with LEC service areas, GTE is confident that local service providers can effectively coordinate the operational aspects of the service such that harmful interference would not be an issue. On the other hand, if WLL license areas are based on some arbitrary

pattern that has no direct relationship to local exchange markets, then attempting to ensure that all providers of local exchange service will have access to this spectrum through resale-type arrangements, and other mandated forms of sharing will be problematic when one party has a superior right to the spectrum over the other. By licensing spectrum on well-defined LEC serving areas, each provider of local exchange service will have an equal right to the spectrum for each local service market.

**Carrier of Last Resort Status Should be a
Prerequisite to Hold a WLL License**

GTE urges the Commission to condition the WLL license such that only Carriers of Last Resort ("COLR") as recognized by the specific state commission or regulatory body can hold a WLL license in the areas were they are serving as the COLR. Should the state commissions recognize multiple COLRs in the same geographic serving areas, both would qualify.¹ In competitive local exchange markets, the Commission should consider structuring the 20 MHz of spectrum into two 10 MHz blocks (*i.e.*, 5 MHz in the 2300-2310 MHz band and 5 MHz in the 2390-2400 MHz band). In those serving areas where there only is one COLR, the COLR would have use of the entire 20 MHz of spectrum. If two COLRs exist in a market, the two could each use one of the 10 MHz blocks. In those cases where there may be more than two state-recognized COLRs, a

¹ See GTE's Reply Comments in CC Docket No. 80-286 Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board, December 2, 1994. In its Reply Comments, GTE sets out a plan that would permit more than one local service provider to assume the responsibilities of a carrier of last resort and thus share universal service fund assistance.

competitive bidding process may be initiated or some other form of mutually agreeable sharing could be implemented.

The linking of COLR responsibility with the license areas that conform to local exchange markets, permits quick and effective use of the spectrum and assures that the benefits associated with the spectrum will be broadly shared by the entire body of telecommunications users.² If WLL spectrum is licensed to parties intending to only provide advanced services to a small subset of business customers, the spectrum will not fulfill its "best and most valued use." Only COLRs assume the responsibility to bring local exchange service to all parties in their serving areas. Also, COLRs are required to charge rates that may not cover costs for a portion of the subscribers in their serving areas. It is therefore appropriate that COLRs have exclusive use of WLL in carrying out these responsibilities.

This eligibility requirement does not restrict competitive local markets; it only assures that all parties holding WLL licenses will be treated in a similar fashion and will implement new radio technologies that will benefit all current and future telecommunications users. When the Commission weighs the public interest considerations of various mutually exclusive uses of this spectrum, wireless local loop service must be considered of primary importance.

² As Chairman Hundt recently stated at the 106th Annual Regulatory Luncheon held during National Association of Regulatory Utility Commissioners meeting in Reno, Nevada, November 15, 1994, the availability of affordable basic telephone service can have a significant impact not only on the creation of new jobs, and economic growth, but on the very standard of living individual families most in need of assistance can attain.

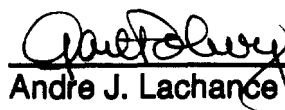
CONCLUSION

The Commission should adopt rules that allocate the 2300-2310 MHz, and 2390-2400 MHz bands of spectrum so that carriers of last resort can use a portion of the spectrum for the provision of wireless local loop services.

Respectfully submitted,

GTE Service Corporation and
its affiliated domestic
telecommunications companies

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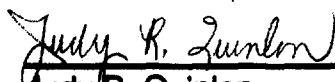
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January 6, 1995

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Certificate of Service

I, Judy R. Quinlan, hereby certify that copies of the foregoing "GTE's Reply Comments" have been mailed by first class United States mail, postage prepaid, on the 6th day of January, 1995 to all parties of record.



Judy R. Quinlan